

State of Alabama

CONSOLIDATED ANNUAL PERFORMANCE

AND

EVALUATION REPORT

Program Year 2004

(April 1, 2004 – March 31, 2005)

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June 2005

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<p style="text-align: center;">STATE OF ALABAMA CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT PROGRAM YEAR 2004</p>
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PART II: NARRATIVE REQUIREMENTS

A. STATUTORY REQUIREMENTS OF SECTION 104(e)

1) RELATIONSHIP OF THE USE OF FUNDS TO THE STATE'S OBJECTIVES

All activities funded under the State's Small Cities CDBG Program have met at least one of the program's national objectives, and often more than one objective. The national objectives of the program are: (1) to benefit principally low and moderate-income persons; (2) to aid in the prevention or elimination of slums and blight; and (3) to meet other community development needs having a particular urgency where existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such need.

Almost all of the State's CDBG projects funded thus far have met the first objective of principally benefiting persons of low and moderate-income. Among the few exceptions to this were some planning grants (primarily downtown revitalization studies) which were funded on the basis of "aiding in the prevention or elimination of slums and blight". When warranted, projects were funded based on eliminating conditions that posed a "serious and immediate threat to the health or welfare of the community". The thrust of the program remains focused on benefiting low and moderate-income persons, even though many of the funded projects meet other national objectives as well. Documentation verifying compliance with one of the national objectives is required as part of the application process.

In the 2000 Consolidated Plan, pages 84-98, the State outlines goals in the areas of job creation, water projects, sewer projects, road and drainage projects, and residential rehabilitation. The FY2004 annual goals stated in the 2000 Consolidated Plan were met or exceeded in all areas except housing.

Job Creation:

Goal: 1,000 jobs

Accomplishments: Infrastructure assistance provided to 16 businesses during FY2004 will create 1,399 jobs, exceeding the goal.

Water:

Goal: 15 – 20 projects

Accomplishments: Twenty (20) water projects were funded, meeting the goal.

Sewer:

Goal: 15 – 20 projects

Accomplishments: Sixteen (16) sewer projects were funded, meeting the goal.

Roads and Drainage:

Goal: 3 – 8 projects

Accomplishments: Thirteen (13) road and drainage projects were funded, exceeding the goal.

Housing Rehabilitation:

Goal: 200 – 300 units

Accomplishments: 103 units were funded, falling short of the goal.

During the FY2004 program year, 160 low and moderate-income households were served by activities whose eligibility is determined by income. Of these 160 households, 50 (31%) were very low income, 52 (33%) were low income, and 58 (36% percent) were moderate-income. It appears that the program is performing well in serving all strata of its intended low and moderate-income beneficiaries. See Appendix A for additional details.

During the reporting period, 16 economic development projects assisted 29 businesses, creating 1,388 jobs and retaining 1,577 jobs for a total of 2,965 jobs. The following projects were also completed during this period: 21 sewer projects, 19 water projects, 5 street and drainage projects, 8 housing rehabilitation projects, and 8 planning projects. The Community Enhancement Fund allowed for the completion of 20 additional "other public facility" projects which included senior centers, community centers, a rural health clinic and a fire station and fire truck.

2) CHANGES IN PROGRAM OBJECTIVES

Historically, the State has been satisfied with its CDBG program and implemented few adjustments from year to year. However, as part of the 2000 Consolidated Plan and FY2001 Action Plan, significant changes were made, particularly in addressing economic development and geographic areas with extremely low income and/or small populations. The State increased the flexibility of ED programs, especially where thresholds for ED applications are concerned. Changes took into consideration the poverty/needs of applicants and the poverty of the project areas where the "competitive" programs are concerned. The State also gave its Citizen Participation Plan more flexibility, and continued the Community Enhancement Fund to better address community needs beyond basic infrastructure.

3) HOW THE STATE WOULD CHANGE ITS PROGRAM

As indicated above, the State considered and made important changes to its FY2001 Plan. For the FY2004 Action Plan, the State principally fine-tuned some changes. The State continues to be particularly interested in creative, but fiscally responsible ways to stimulate economic development as well as more effective ways to target additional funds to the most disadvantaged areas of the State.

4) PROGRAM COMMENTS RECEIVED FROM CITIZENS

Over the life of the program, the State has responded to all comments received and usually acted to adjust program rules when a significant number of comments were received on any one subject.

Most comments are received at or shortly after the annual Public Hearing for the Action Plans. Comments and responses for the FY2004 Plans were forwarded to HUD in January 2004. This Consolidated Annual Performance and Evaluation Report is available in Montgomery and on the official ADECA web site www.alabama.gov - for public comments through June 24, 2005.

5) PROGRAM BENEFIT TO LOW AND MODERATE INCOME PERSONS

Alabama's Small Cities CDBG Program is almost totally oriented to meeting the objective of principally benefiting persons of low and moderate-income. On average, 90 percent of the grant funds distributed each year have met the low and moderate-income national objective. The overall LMI benefits far exceed program requirements and a very substantial effort has been and will continue to be made to utilize economic development funds in the poorer and lesser-developed areas of the State whenever reasonable opportunities present themselves. It is worthwhile to note that changes made to the FY2001 Consolidated Plan and CDBG Action Plans target even more precisely the low and moderate-income areas. It is particularly true where the scoring system of the "competitive" programs is concerned.

6) ADDITIONAL ACTIONS TAKEN BY STATE

The State has taken actions over the years to address more of the social problems resulting from poverty. The State has continued to address these needs by utilizing its ED Fund to assist in job creation for low and moderate-income persons during the past several years. The State has used its HOME Program to foster and maintain affordable housing and to reduce the primary barrier to affordable housing which is the lack of adequate income by a large percentage of the population. These actions are covered in more depth in the HOME Program Report. The State has worked to overcome gaps in institutional structures and to foster coordination by coordinating with the Alabama Department of Environmental Management on all water and sewer applications and by soliciting input from other State and local agencies in review of applications when appropriate.

The State has worked hard to utilize its program to evaluate and reduce lead based paint hazards by implementing the following policy:

Any individual or organization applying for assistance under any Federal programs for the purpose of rehabilitation of single-family or multi-family dwellings built before 1978 must provide certification that the property in question is free of lead-based paint hazards before it can be occupied or reoccupied. The certification must be completed by an approved, licensed lead-based paint testing company.

In order to insure compliance with this policy, the State provided a Lead-Based Paint component at its Compliance Workshop in Montgomery in October 2004. The State's Housing Rehabilitation Specialist presented background on HUD's Lead-Based Paint regulations for housing rehabilitation and explained the responsibilities and requirements incumbent upon recipients of CDBG and other HUD or federal funds. This specialist attended the COSCDA Southern Regional Conference in May 2005 to learn more about "Best Practices" by other states in the area of lead-based paint compliance. In addition, the State Health Department operates a Lead Surveillance System to keep abreast of blood lead levels found in Alabama children. The State will continue to work diligently to comply with new regulations concerning lead-based paint issues.

The State continually monitors to assure compliance by grantees with all applicable regulations and has an ongoing planning process to assure that HUD Action Plan requirements are complied with. All recipients of Action Plan funds are monitored at least once during the course of the grant and will be monitored again, if necessary, to assure compliance with program laws and regulations. Monitoring information is maintained in the information system and is used to trigger timely monitoring and other program review actions.

The State uses its ED infrastructure program to help address the conditions of poverty within the State, allocating approximately \$5 million in FY2004. Over the past few years, the State of Alabama has been very successful in attracting automotive manufacturers and their respective supplier plants. The CDBG Program is continuing to play an instrumental role in this initiative as evidenced by the funding of three (3) economic development grants in FY2004 for suppliers of Hyundai Motor Manufacturing Alabama, LLC, Honda Manufacturing of Alabama, LLC, and Mercedes-Benz U.S. International, Inc. These three (3) grants account for 460 (33%) of the new jobs being created through FY2004 funding. The State also uses a revolving loan fund capitalized by the CDBG Program and a float loan program for larger projects. In the last few years, the State began to utilize Section 108 loan guarantees; however, the State questions continuing this program in view of problems encountered to date.

7) PROGRESS IN PROVIDING AFFORDABLE HOUSING

The State has continued to make progress in providing affordable housing, both through the CDBG rehabilitation and the HOME housing program activities. This is covered in more depth in the HOME report.

8) OTHER PUBLIC AND PRIVATE RESOURCES

The CDBG Program has continued to attract other public and private resources such as Rural Development funds, ARC funds, and local match funds primarily on water and sewer projects. The competitive CDBG funds give important points to applicants that provide match. Similarly, other funds have a match requirement with a waiver provision. These program features assure that the program will leverage a significant amount of local, federal, private and nonprofit match. The Economic Development Fund continues to leverage both public match for infrastructure projects and private match for loans. However, the State wants to insure that match as a rating factor does not harm the poorest applicants and took steps in its FY2002 program to lower match requirements or allow waivers in areas with very low income and/or a small population.

The Alabama Housing Finance Authority has leveraged tax credits through its use of HOME funds and this is reported on in the HOME Program report.

9) EFFORTS TO CARRY OUT PLANNED ACTIVITIES

The State has pursued all resources indicated in the Action Plan but has primarily utilized its program to leverage other resources indicated above under other public and private resources. The State has signed off on all certifications regarding consistency with the Consolidated Plan in a fair and impartial manner, and has not hindered the Consolidated Plan Implementation of any organization or local government.

10) SELF EVALUATION

Please see Appendix C.

B. SUMMARY OF ACTIVITIES AND RESULTS FROM TECHNICAL ASSISTANCE FUNDING

During FY2004, the State conducted two workshops using technical assistance money. An application workshop was held in January 2004 for all categories of CDBG funding. Application materials were distributed and explained in detail. A compliance workshop for successful applicants was conducted in October 2004.

These workshops are already being incorporated as part of the FY2005 program administration. An application workshop for all programs was held in February 2005 and a compliance workshop for all successful applicants will be held in August or September 2005. Implementation manuals, updates, and revisions will be provided. In addition, specialty workshops may be held as needed. Other plans include continued and expanded utilization of all appropriate means of communication including Internet websites.

PART III: COMPLIANCE WITH APPLICABLE CIVIL RIGHTS LAWS

1) BENEFICIARY INFORMATION

According to ADECA records, in FY2004 a total of 14 of the 83 grants were made to minority communities under the Alabama CDBG program. This is approximately 17% of the State's nonmetropolitan counties and municipalities that have at least 51% minority populations as identified by the 2000 Census of Population and Housing. Another way of viewing performance in this area is that approximately 16% of the eligible nonentitlement jurisdictions are predominantly black. The percent of recipients that were minority communities has exceeded this figure in four of the previous six years.

Grants to minority communities accounted for 14.52% of all grants in 1992, 21.05% in 1993, 15.69% in 1994, 12.34% in 1995, 16.8% in 1996, 15.74% in 1997, 18.5% in 1998, 18.05% in 1999, 26.32% in 2000, 22.08% in 2001, 10 % in 2002, 14.13% in 2003, and 16.87% in 2004.

MINORITY COMMUNITIES FUNDED: FY1992-2004

<u>Year</u>	<u>Funded</u>	<u>Minority Communities Funded</u>	<u>Minority Percent</u>
1992	124	18	14.52%
1993	114	24	21.05%
1994	102	16	15.69%
1995	154	19	12.34%
1996	101	17	16.80%
1997	108	17	15.74%
1998	81	15	18.50%
1999	72	13	18.05%
2000	76	20	26.32%
2001	77	17	22.08%
2002	70	7	10.00%
2003	92	13	14.13%
2004	83	14	16.87%

Source: State CDBG Performance and Evaluation Report, Alabama Department of Economic and Community Affairs; and 2000 Census of Population and Housing.

In a similar fashion, approximately 44% of the persons assisted during the last ten years under the State CDBG Program have been minority individuals. A decrease in the percent of minority beneficiaries occurred this year; and, it should be noted that the long-term percentage of minority beneficiaries is almost double the 20.2 percent minority population living in non-metropolitan areas of the State according to the 2000 Census of Population and Housing. The following table presents a yearly account of minority beneficiaries in the State's CDBG Program.

MINORITY PERSONS ASSISTED UNDER STATE CDBG PROGRAM:
FY1992-FY2004

<u>YEAR</u>	<u># BENEFITTING</u>	<u># MINORITY</u>	<u>% MINORITY</u>
1992	50,956	16,927	33.22%
1993	32,856	10,364	31.54%
1994	40,411	14,116	34.93%
1995	34,185	12,506	36.58%
1996	20,889	9,889	47.34%
1997	58,551	26,823	45.80%
1998	25,683	10,344	40.27%
1999	35,745	25,164	70.30%
2000	27,229	14,435	53.02%
2001	43,957	22,509	51.21%
2002	52,953	14,594	27.00%
2003	50,701	22,261	43.91%
<u>2004</u>	<u>92,808</u>	<u>27,597</u>	<u>29.74%</u>
TOTAL	566,924	227,529	40.13%

Source: Minority Beneficiaries Report, CDBG Grant Management System, Alabama Department of Economic and Community Affairs.

2) RECIPIENTS' CIVIL RIGHTS PERFORMANCE

According to HUD regulations governing the State administration of Community Development Block Grant funds, effective December 1992, State CDBG grant recipients must administer their programs in a nondiscriminatory manner. The five major areas where CDBG Civil Rights compliance is mandatory are: (1) equal provision of services, benefits, facilities, and improvements; (2) equal employment opportunity; (3) equal access to CDBG contract and business opportunities; (4) Section 504 Handicapped Requirements; and (5) compliance with Federal Fair Housing Legislation.

The Alabama Department of Economic and Community Affairs utilizes several methods to ascertain compliance with applicable civil rights laws and executive orders in the administration of Alabama's Small Cities CDBG Program. All contracts entered into by grant recipients are examined to determine if the appropriate affirmative action and equal opportunity clauses have been inserted. Also, program monitors utilize a detailed checklist to determine grantee compliance with civil rights provisions in the administration of their respective programs. This includes monitoring of such areas as program benefits and impacts, recipient hiring and employment practices, displacement, contract management, fair housing, and Section 504 Handicapped Accessibility. Furthermore, a modified version of HUD form 2516 is utilized annually to track participation by qualified female and minority-owned enterprises in CDBG related business opportunities at the local level. This information is summarized and submitted periodically to the Birmingham HUD office.

In addition, the applicability of Section 3 economic opportunities for low and very low-income persons is now being required by the State. Section 3 of the Housing and Urban Development Act of 1968 ensures that employment and other economic opportunities generated by certain HUD financial assistance shall to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low and very low-income persons. Recipients of CDBG grants from FY1988 and later years who entered into contracts after June 30, 1994, are required to submit reports on Section 3 activities if the amount of assistance was in excess of \$200,000. In case of recipients with the amount of assistance in excess of \$200,000, all participating contractors and subcontractors with contracts exceeding \$100,000 must also develop and implement a Section 3 program.

HUD form 60002 has three parts that must be completed for all programs covered by Section 3. Part I relates to employment and training. Part II relates to contracting and Part III summarizes recipient's efforts to comply with Section 3. This Section 3 requirement is now a part of ADECA's monitoring responsibility and will be included in the Performance/Evaluation Report.

Overall, these methods of review have determined that the State's CDBG grantees are taking adequate steps to ensure compliance with applicable civil rights laws and provisions in the administration of their programs. In addition, progress is being made at the local level to affirmatively promote equal opportunity and non-discrimination in all aspects of community life.

3) STATE AND LOCAL EFFORTS IN AFFIRMATIVELY FURTHERING FAIR HOUSING

The US Department of Housing and Urban Development (HUD) requires that the State of Alabama conduct an analysis to identify impediments (AI) to Fair

Housing Choice within the State. The State also must take appropriate actions to overcome the effects of any impediments identified through that analysis. During FY2004, Alabama reviewed and revised a State level AI as a part of its Consolidated Plan Process.

A major accomplishment during the first year of implementation of the State's Consolidated Plan included a new requirement for recipients of State CDBG funds to submit an analysis of impediments to Fair Housing Choice as a condition to be met before any funds could be accessed by the recipient. All FY95-FY2004 CDBG Program recipients have been required through Letters of Conditional Commitment (LCCs) to submit a Community Fair Housing Analysis to ADECA for review. Below is a summary of the Survey results received to date as developed by the local CDBG recipients who received FY2004 grants.

At the time of the preparation of the CAPER, the State had processed 87 Analyses of Impediments. It is encouraging to note that 87 of the 87 jurisdictions reporting at this juncture had fair housing ordinances or fair housing resolutions in place. Those reporting this information were fairly reflective of the State's population. Nineteen (19) of the jurisdictions had less than 5% minority population while 12 had minority populations of more than 50%. The remaining 56 had minority populations that fell between 5 and 50%. Fifty-five (55) of the 87 jurisdictions reported that they had subsidized housing within their jurisdictions and there were no fair housing complaints reported during FY2004. The results also indicated that 59 of the 87 jurisdictions have procedures in place to assist persons who have fair housing complaints.

Of the counties reporting, 27 have fair housing ordinances or resolutions and 20 have procedures in place to assist persons who have fair housing complaints, although no county reported complaints in the last five years. All 27 counties reported some type of assisted housing within their jurisdictions. Three (3) of these counties had a minority population of 50% or more, 6 had minority populations of less than 5%, and 18 had minority populations of 5-50%.

Among small cities (population less than 3,000) reporting, 34 of the 34 had fair housing ordinances or resolutions and all had procedures in place to assist persons who had complaints. Understandably in some of the very small jurisdictions, the percent having procedures in place would be the lowest. Thirty-two (32) of the 34 jurisdictions reported having subsidized housing in place, and none had received complaints in the last five years. Seven (7) of these towns had minority populations of 50% or more, 8 had minority populations of less than 5%, and 19 had minority populations of 5-50%.

Of the larger cities receiving funds, all 26 had fair housing ordinances or resolutions and all 26 had procedures in place to assist persons who had fair housing complaints. Also, all 26 of the jurisdictions indicated they had assisted housing in place and there were no complaints reported during FY2004. Two (2)

of these jurisdictions had minority populations of 50% or more, 5 had minority populations of less than 5%, and 19 had minority populations of 5-50%.

For each concern or impediment identified in the survey, the grantees are expected to develop a schedule or timetable which lists the proposed changes necessary to correct the identified problems; develop a specific schedule of corrective actions; and identify a mechanism for updating the analysis on a periodic basis. (A summary of the Analysis of Impediments is also included as part of Appendix B State of Alabama Fair Housing Report.)

4) STATE AND RECIPIENTS ACTIONS TO USE MINORITY AND WOMEN-OWNED BUSINESSES

The Alabama Department of Economic and Community Affairs encourages CDBG grantees to offer business opportunities whenever possible to qualified minority and female contractors. To assist in this endeavor, ADECA has participated in various MBE workshops across the State, has published a booklet which describes how minority and female-owned businesses can take advantage of CDBG opportunities, and regularly answers correspondence from interested minority/female firms seeking information on the community development program. Furthermore, the State provides its grantees a mechanism through which the services of the computer-based Alabama Small Business Procurement System can be utilized to notify qualified minority and female-owned contractors and other small businesses in the project area of impending CDBG contract opportunities. These aids are beginning to result in a more widespread participation by all sectors of the business community in the community development program.

With respect to the volume of MBE/WBE activity, a modified version of HUD Form 2516 is utilized to measure the dollar amount of contracts entered into by minority and female-owned businesses in conjunction with Alabama's CDBG program. During the October 1, 2003 through September 30, 2004 program year, a total of \$711,835 (3% of the total) was awarded to minority contractors and \$1,677,359 (7.2% of the total) was awarded to female-owned businesses. A slightly more detailed presentation is contained in the attached tables in Appendix D. Also presented in the attached tables is information on Section 3 contract awards.

5) THE EEOC EEO-4 FORM

EEOC EEO-4 data is maintained at the State for each State agency administering the program.

Minority Cities Funded in FY 2004

Akron

Atmore

Autaugaville

Hayneville (2 grants)

Hobson City

Marion

Midway

York

Minority Counties Funded in FY 2004

Bullock County

Lowndes County (2 grants)

Sumter County

Wilcox County

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APPENDIX A **DIRECT BENEFIT ACTIVITIES**

APPENDIX A

**HOUSEHOLDS ASSISTED
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FY 2004**

	RENTERS					OWNERS
	RENTER	RENTER	RENTER	RENTER	RENTERS	OWNERS
Number of Households Assisted by Income Group	Elderly 1 & 2 Member Households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Total Existing Homeowners
Very Low Income (0-30% MFI)	0	5	0	0	5	45
Low Income (31-50% MFI)	2	3	1	0	6	46
Moderate Income (51-80% MFI)	1	3	0	0	4	54
Total Low/Moderate Income	3	11	1	0	15	145

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APPENDIX B **FAIR HOUSING**

APPENDIX B

STATE OF ALABAMA FY2004 FAIR HOUSING REPORT

SUMMARY OF THE ANALYSIS OF IMPEDIMENTS

The State developed an Analysis of Impediments to Fair Housing as a companion to its Consolidated Plan. A copy is on file at the ADECA office in Montgomery. The following information provides a current analysis of the barriers to fair housing in the State and indicates actions the State has taken or expects to take during the coming year to address this area.

Fair Housing Issues/Discrimination

No Alabama cities and counties have cited discrimination as a barrier to affordable housing. However, discrimination may be disguised within more acceptable barriers such as high rental rates, non-availability of mortgage financing and/or restrictive land use regulations. Discrimination in terms of being unwilling to rent to families may be a problem, but the exact number and nature of this problem is difficult to document.

Not in My Backyard

NIMBY (not in my backyard) is a common occurrence because of a concern over a perceived decrease in property values. Some persons view affordable housing developments such as mobile home parks, apartments, and other lower cost planned developments as a threat.

Land Ownership Patterns

In much of rural Alabama, most suitable land is owned or controlled by a few owners or developers. These persons can therefore dictate the extent and type of housing activity to be carried out on their land. They can also be more selective in dealing to ensure maximum profitability, usually precluding any affordable housing opportunities for lower income citizens. Additionally, home sites in rural Alabama are frequently sold in large lot sizes, which could prevent lower income persons from obtaining lots on which to build modest homes. With less new homes being constructed in rural areas, there are fewer older but suitable homes on the market and available for occupancy.

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Institutional Financial Constraints

Lending options are limited for low and moderate-income citizens of Alabama. It remains very difficult to qualify for a mortgage loan without a combination of sufficient income and a good credit rating. Lenders stay on traditional courses. Despite Community Reinvestment Act obligations, they are not likely to meet the growing need for affordable housing finance.

Fire Protection Costs

Due to a lack of fire protection in some rural Alabama counties, homeowner's insurance rates are considerably higher than in municipalities. This may cause an overall increase in the cost of housing in many areas of the State.

Land Use Restrictions

Many of Alabama's smaller municipalities and most of its larger cities restrict the use of properties within their jurisdictions to specific purposes through the use of zoning ordinances. In order for the property to be used for a purpose other than which it is zoned, a rezoning must be obtained from the city government. Regrettably, sometimes only more expensive developments can meet the requirements of some of Alabama's zoning or land use laws. Additionally in rural Alabama, land use requirements and barriers or impediments such as lack of infrastructure also affect the production of affordable housing. The cost of infrastructure and the complexity of many zoning laws and subdivision regulations are factors that cause development costs to be high in some of Alabama's rural areas.

Building Codes

These codes serve many valuable purposes, but municipal building codes and FHA minimum property standards are often expressed in terms of rigid specifications. Even when new construction techniques and architectural innovations may be satisfactory in terms of safety, comfort, and other measurable standards they are not always in compliance unless they meet strict specifications. Additionally, inconsistency in building code enforcement also creates additional expenses for builders in terms of construction delays and costly redesigns. This may impact construction and rehabilitation projects in terms of cost to the prospective owner or tenant.

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Cost Associated with ADA and/or Lead-Based Paint Compliance

Governmental regulations for rental housing that require building designs to be altered to accommodate handicapped persons and/or lead-based paint compliance are increasing the cost of rehabilitating existing structures, and impacting the affordable housing market.

Lack of Land Use Regulations

With the lack of specific land use regulations, random and arbitrary land uses are often found such as stand alone mobile homes and manufactured homes that are, in many cases, substandard. There are also many substandard housing units occupied by renters that might benefit from code enforcement programs. Due to the lack of regulation, occupants of such structures are unprotected and permissive code enforcement, or the complete lack of codes, prove to be a disincentive to improving affordable housing. A prominent part of any local housing plan should be the elimination of substandard housing that cannot be repaired. As long as these substandard units remain in existence, some persons will continue to reside in them.

ACTION TAKEN IN 2004

During FY2004, a link to the Office of Fair Housing and Equal Opportunity was maintained on the Alabama Department of Economic and Community Affairs web site to assist the public's access to FHEO issues. Also, at ADECA's request, the Governor signed a Proclamation designating April 2004 as Fair Housing Month.

Since 1995, the State has required grantees to prepare Analyses of Impediments as part of the process of satisfying their Letter of Conditional Commitment. This is necessary for communities to complete before they receive their CDBG funding. Local grantees must document that they have conducted an Analysis of Impediments (AI) to identify actions or strategies to eliminate barriers to fair housing. Appropriate data is collected by grantees and is reviewed by the State. Necessary adjustments are then made to strategies or actions needed to comply with State and Federal regulations regarding fair housing.

At the present time local grantee actions may include but are not limited to the following types of effort.

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1. Encouragement of local Boards of Realtors to enter into voluntary affirmative marketing agreement;
2. Display of Fair Housing Exhibits at local shopping centers, fairs, or other similar events; and sponsoring fair housing poster contests, speech contests and writing contests in school during Fair Housing Month;
3. Development and promotion of public information programs using local newspapers, radio stations, etc. concerning fair housing choices in local communities;
4. Promoting use of the Equal Housing Opportunity slogan and logo in the classified section of local newspapers;
5. Adoption of a Fair Housing Resolution;
6. Declaration of Fair Housing Month;
7. Display of Fair Housing Posters and/or information in public buildings or other prominent locations.

Additionally, the Alabama Housing Finance Authority is documenting its affirmative marketing efforts in multifamily housing development and loan review procedures as part of its administration of the HOME Program.

IMPACT OF ACTIONS TAKEN DURING FY2004

As the preceding portions of this report have indicated, Alabama is making a conscious effort to ensure fair housing opportunities for all its citizens. Since the conception and development of the State of Alabama's Consolidated Plan, the State has made substantial gains and improvements. It has advanced the concept of affirmatively furthering fair housing choices throughout the State of Alabama. State CDBG grantees are required to submit an Analysis of Impediments to Fair Housing Choice prior to receiving any funds. The following information is derived from summarizing the data received thus far for the FY2004 CDBG Program Year.

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At the time of preparation of the CAPER, the State had processed 87 Analyses of Impediments. Of these analyses, 87 of 87 jurisdictions indicated that they had fair housing resolutions or ordinances in place. Those reporting were fairly representative of the State's population. Nineteen (19) of these had minority populations of 5% or less, 12 had minority populations of more than 50%, and 56 had populations whose minority percentage was between 5% and 50%. Fifty-five (55) of the 87 jurisdictions reported that they had subsidized housing within their community and there were no fair housing complaints reported within the past five years. The results also indicated that 59 of the 87 have procedures in place to assist persons who had fair housing complaints.

Obtaining strong and broad-based support for fair housing actions is critical to the long term success of the State's efforts to affirmatively further fair housing. The results of the surveys returned by grantees indicate that this support of the concept is being achieved.

Planned accomplishments in this area are described in the following section.

PLANNED ACCOMPLISHMENTS FOR FY2005

The State of Alabama and the Alabama Department of Economic and Community Affairs views the promotion and provision of housing opportunities for all citizens as a goal that must be seriously addressed. To promote awareness of fair housing and address obstacles to this objective, the State will take advantage of opportunities that arise, particularly in the administration of HUD funded programs. The State will work toward this objective and will act in various ways, as indicated in the following sections. Anticipated approaches and accomplishments are listed below.

1. Legislative - The State will work with the legislature and HUD to see that Alabama has a substantially equivalent Fair Housing Law and a Tenant-Landlord Law.
 - Passage of new Fair Housing Law
 - Passage of a Tenant-Landlord Law
2. Education - The State will prepare and distribute materials to make the public, professionals, and elected officials more aware of the problems in this area and of ways to address those problems as well as what the law has to say about fair housing in general. CDBG workshops and events

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will be used as opportunities to provide education concerning housing opportunity for all persons.

- Provision of fair housing material at Compliance Workshop
- Provision at Public Hearing
- Provision at Application Workshop

3. Public Relations - The State will work with local governments to promote Fair Housing Month and will ask the Governor to take actions (when possible and appropriate) to promote the concept, such as signing a proclamation concerning Fair Housing Month. The State, from time to time, will also use other forums, events, and conferences to promote the concept, particularly where housing and/or community development are involved.
 - Proclamation of Fair Housing Month
4. Programmatic Implementation - In the area of program implementation, the State will monitor grants to see that recipients have undertaken and completed analyses of impediments to fair housing and have addressed fair housing concerns.
 - Approximately 120 monitoring visits at which fair housing efforts will be reviewed.
5. Resource Allocation - The State will strive to allocate resources in a manner which provides opportunities for all citizens to have choice in their selection of housing. This may manifest itself in efforts to support scattered site housing, or in the provision of assisted housing in areas previously not served, provided this is not done at the expense of extremely needy areas. The CDBG Community Enhancement Fund may be a useful vehicle in this respect.
 - Provision of housing support activities across the State

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APPENDIX C **SELF ANALYSIS**

APPENDIX C

STATE OF ALABAMA FY2004 SELF ANALYSIS

Impact on Needs

Money received as the result of the Community Development Block Grant program, the Home Improvements Partnership program, the Emergency Shelter Grant program, and the Housing Opportunities for Persons with AIDS program has had significant impact on needs identified in the State of Alabama's Consolidated Plan. Community Development Block Grant funds have been used to help 3,000 to 8,000 people per year acquire safe drinking water and 2,000 to 5,000 people per year obtain access to adequate sanitary sewers. In some years, as many as two thousand persons have gained access to better streets or roads through the programs. In addition, Community Development Block Grant funds helped provide decent, safe, and sanitary housing to thousands during the course of the program.

In some instances, the achievements in a given year pale in comparison to the magnitude of the need or problem across the State, but the progress is steady and important. This is particularly evident in the battle to provide potable water and decent housing. It is estimated that tens of thousands of the State's residents may still lack access to public water systems while, as indicated above, only a few thousand can be helped in any given year. Similar disparities exist between the housing needs and the resources available.

The use of CDBG funds, and other funds that they leverage, is of critical importance to the health and welfare of the citizens of the State. The use of HOME funds is, of course, also critical to the battle to provide suitable housing for the residents of the State. Additionally, it is very important to acknowledge the role played by ESG and HOPWA funds in addressing more completely the range of housing needs that exist across the State.

Barriers to Strategies

As indicated above, the Consolidated Plan funds are small when compared to the needs. Therefore, the largest impediment to implementing the State's strategy is the lack of sufficient funding. For a State as poor as Alabama, the receipt of federal funds is essential to addressing community development, economic development, and housing needs. These funds help attract other funds and, in the area of economic development, are of paramount importance. As the State's economy grows, Alabama will be more capable of applying its own resources to address the housing and community development needs of the

APPENDIX C

State. Therefore, the use of these funds for economic development purposes may take on an even larger role in the future.

Timely Expenditure of Funds

The State continues to work hard to see that funds are spent as rapidly as possible. Grant recipients are required to submit detailed implementation schedules as a condition for receiving funds. This is a part of their Letter of Conditional Commitment that is required before contracts are issued. Expenditure of funds and closeout of old grants are conditions of being able to apply for new funding under the State CDBG program. Submission of a detailed schedule is also a condition for receiving funding under the ESG program. Efforts like these have kept the State on track in assuring timely expenditure of Action Plan funds.

Goal Achievement

Continued interaction with citizens, elected officials and community development professionals indicates that State goals remain on target and are consistent with the needs and desires of persons residing in the State's non-entitlement areas. The State is making a concerted and continued effort to see that public hearings and all other program interactions are vehicles at which representatives of local governments, non-profit organizations, and the general public can voice their goals, values, and concerns. While the State programs have evolved, the changes have mainly been of degree and there have not generally been radical policy shifts. The general goals of the programs have remained largely the same since its inception in 1982, although the FY2001 Consolidated Plan and CDBG Action Plan incorporated changes that should result in an increased degree of targeting to poorer areas. The State will evaluate the results of the changes during the coming years.

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APPENDIX D

MINORITY AND FEMALE BUSINESSES

AND

SECTION 3 REPORT

APPENDIX D

CDBG MINORITY/FEMALE BUSINESS ENTERPRISE ACTIVITY

(Reporting Period October 1, 2003 – September 30, 2004)

	<u>Dollar Amount</u>	<u>Percent</u>
All CDBG Contracts	\$38,885,675.00	100.00%
All Respondents	\$23,331,405.00	60.00%
Minority Contracts	\$ 711,835.00	3.05%*
Female Contracts	\$ 1,677,359.00	7.19%*

* The percentages shown are based on the dollar amount of all respondents and should reflect a more accurate estimate of minority/female participation in the overall program. Information is taken from the ADECA Form 2516 that is submitted by CDBG recipients with one or more active grants during the subject reporting period.

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SECTION 3 EMPLOYMENT/TRAINING AND CONTRACT OPPORTUNITIES REPORT

Total Employment	12
Total Number of All Contracts	17
Total Dollar Amount of Construction Contracts	\$2,951,289.00
Total Dollar Amount of Non-Construction Contracts	\$ 486,040.00
Total Dollar Amount of All Contracts Awarded	\$3,437,329.00

Information provided above was compiled from the returned HUD Form-60002.

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APPENDIX E **ASSISTANCE TO THE HOMELESS**

APPENDIX E

STATE OF ALABAMA FY2004 EMERGENCY SHELTER GRANTS (ESG) PROGRAM

Assessment of Three-to-Five Year Goals and Objectives

The FY2004 Emergency Shelter Grants (ESG) Program Action Plan had, as both a goal and objective, addressing the needs of the non-entitlement homeless. This was accomplished through an extensive outreach effort. It resulted in eighteen (18) applications of which eight (8) were from non-entitlement communities. The State included the possibility of the \$100,000 match waiver in the FY2004 Plan in an effort to attract smaller communities.

Awards were made to ten (10) grantees of which four (4) were non-entitlements, which was an increase to non-entitlements.

Continuum of Care

The State's ESG Program is an integral part of the State's Continuum of Care. The funds allocated through the State help form the backbone of homeless assistance statewide. Further, state staff routinely attends various homeless coalition meetings which address needs, strategies, and sources of additional funding. Further, specific application needs are addressed and assigned to various attendees for implementation. The state staff also serves as technical assistance providers to the newly formed Balance of State Continuum.

Leveraging Resources

ESG Project specific match is attached and shows that portion of match expended from April 1, 2004, through March 31, 2005, on all active projects.

Self-Evaluation

After reviewing all FY2004 ESG applications, a determination was made to allow the remaining ESG balance to be used to fund the next eligible project, City of Mobile. All grant applications were capped at \$200,000 per 2004 ESG Action Plan.

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Funds were awarded competitively based on the following factors:

1.	Demonstrated Need of Homeless Persons	20 points
2.	Applicant's Approach to Problems Described	30 points
3.	Timely and Effectively Expenditures	10 points
4.	Establishment of Continuum of Care	10 points
5.	Match	15 points
6.	Budget	<u>15 points</u>
TOTAL POINTS		100 points

Use of ESG Funds

An ESG Expenditure sheet is included as part of this submission.

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APPENDIX F **HOPWA PROGRAM**

HOPWA Executive Summary

1. Date of Executive Summary Update: 06/07/2005

2. Grantee Name: AIDS Alabama

3. Grant Type: ☒ Formula ☐ Competitive

4. Grant Selection: ☐ New ☒ Continuing ☐ Not Currently Active

5. GRANTEE AND COMMUNITY PROFILE

The following are descriptive of the programs provided by AIDS Alabama with grant funds:

Statewide Rental Assistance Program

AIDS Alabama has contracts with eight AIDS Service Organizations (ASOs) throughout the state to provide short and long-term assistance.

Support Existing Housing Programs in the State

Funds were used to provide supportive services to agencies throughout the state. Eight HOPWA case managers in six ASOs throughout the state provided services.

Support Ongoing Housing Information Efforts in the State

HOPWA funds were used to support availability of housing assistance statewide, including outreach to rural areas.

Provide Technical Assistance

AIDS Alabama provided technical housing assistance to the State-wide ASO network.

Support Operating Costs of Existing Housing

These funds cover furnishings, supplement utilities, provide property managements funds, security services, and provide support to ensure appropriate upkeep for all HIV specific permanent and transitional housing in the State.

Support Resource Identification Efforts.

Continuing efforts are made to identify new opportunities and resources to accommodate the many housing needs of our consumers.

6a. FORMULA PROGRAM ACCOMPLISHMENTS

A total of 194 persons living with HIV disease received housing assistance. An additional 131 other persons in 73 family units received assistance.

There were 101 units of long-term tenant based rental assistance and 79 units of emergency short-term rent, mortgage and utility payment assistance.

Over 22,000 units of transportation and over 700 units of case management were provided.

7. PROGRAM PARTNERS

AIDS Alabama collaborates and sub-contracts HOPWA funding to the following AIDS Service Organizations in the state of Alabama:

- o Birmingham AIDS Outreach-Birmingham;
- o AIDS Action Coalition – Huntsville;
- o Health Services Center – Anniston;
- o West Alabama AIDS Outreach – Tuscaloosa;
- o East Alabama AIDS Outreach – Auburn;
- o Montgomery AIDS Outreach – Montgomery;
- o Family Clinic at UAB; and
- o Mobile AIDS Support Services – Mobile.

HOPWA 2004 Performance Summary

Submitted by AIDS Alabama (Sponsor)

**State of Alabama Department of Economic and Community Affairs
(Grantee)**

**Submitted to U.S. Department of Housing and Urban Development
Alabama Field Office**

A. HOPWA Grantee Narrative

AIDS Alabama, project sponsor, submits annually to the State of Alabama Department of Economic and Community Affairs an Action Plan that is consistent with the state consolidated plan to assist persons with AIDS to access and maintain housing. As of May 2005, approximately 13,800 cases of HIV/AIDS have been reported in Alabama since 1982, according to the Alabama Department of Public Health. About 70 % of new infections in Alabama have been reported among African-Americans, although they comprise 26 % of the state's population.

AIDS Alabama works closely with state and local community representatives to ensure needs are identified on a broad scale. AIDS Alabama also collaborates and sub-contracts HOPWA funding to the following AIDS Service Organizations in the state of Alabama:

- Birmingham AIDS Outreach-Birmingham;
- AIDS Action Coalition – Huntsville;
- Health Services Center – Anniston;
- West Alabama AIDS Outreach – Tuscaloosa;
- East Alabama AIDS Outreach – Auburn;
- Montgomery AIDS Outreach – Montgomery;
- Family Clinic at UAB; and
- Mobile AIDS Support Services – Mobile.

In program year 2004, HOPWA funds were used for the following programs:

1. Statewide Rental Assistance Program

This program funds both short-term and long-term rental assistance. There were eight-hundred and seventy-eight (878) instances of rental assistance in the past year for three-hundred and twenty-five (325) persons. Clients access this program by visiting one of the eight AIDS Service Organizations in the state of Alabama and completing an application with a HOPWA-certified and trained staff member of that agency. The HOPWA certification process requires a daylong training program.

2. Support Existing Housing Programs in the State – Supportive Services

This support includes supportive services such as transportation, case management, first month's rent and deposits, and housing outreach as per HOPWA and HUD guidelines. AIDS Alabama provides these services in Birmingham and subcontracts for these services with eight other AIDS Service Organizations across the state.

Supportive services are needed to assist persons with HIV/AIDS in maintaining housing. In FY 2004, AIDS Alabama provided in the Birmingham area 22,502 units of transportation and seven hundred twenty-five (725) units of case management services. Across the state, low-income individuals/families living with the HIV virus were assisted through case management services, individualized housing plans, transportation assistance, emergency housing and financial assistance, and many other supportive services necessary to keeping HIV-positive persons healthy and stably housed.

3. Support Ongoing Housing Information Efforts in the State

These funds support AIDS Alabama and various AIDS Service Organizations to promote the availability of housing assistance statewide. Outreach to rural areas has been dramatically increased due to the identification of growing numbers of persons infected in rural areas who have difficulty accessing services. Outreach creates an easier bridge for persons who may mistrust others offering assistance to the various programs and services that exist. Reaching people in all sixty-seven (67) counties is done in conjunction with the existing HOPWA Competitive grant (Alabama Rural AIDS Project), also implemented by AIDS Alabama, offering outreach and linkage to services to persons in the most rural counties in the state.

In combination with the AIDS Service Organizations across the state, these funds are also used to create marketing materials to be used during outreach activities for the benefit of other providers who may have HIV-positive clients that are in need of housing but do not know where to refer for services. This funding will also create materials targeting consumers in order to ensure they are aware of HOPWA services. Outreach is critical in all areas but most critical in rural areas of the state where knowledge of available services may be lower.

4. Technical Assistance

AIDS Alabama used funds to provide technical assistance to the state's AIDS Service Organization Network. Specifically, these dollars are used to support AIDS Alabama staff time to work with the following agencies: Mobile AIDS Support Services in Mobile, AL; Montgomery AIDS Outreach in Montgomery; Family Clinic at UAB; East Alabama AIDS Outreach in Auburn; West Alabama AIDS Outreach in Tuscaloosa; Health Services Center in Anniston; and AIDS Action Coalition in Huntsville. Currently few organizations have experience in providing housing services. AIDS Alabama uses technical assistance funds to provide training to AIDS Service Organizations regarding housing

implementation. Provision of technical assistance has resulted in additional HIV-specific housing in the Auburn area and in Anniston. This assistance also develops the capacity of other agencies around the appropriate use of rental assistance and planning the state's response to housing needs for persons with HIV/AIDS.

5. Support Operating Costs of Existing Housing

These funds were used for operating costs for the 178 beds across the state of Alabama. All of these units currently exist and provide housing to individuals and families living with HIV/AIDS. These funds cover furnishings, supplement utilities, provide property management expenditures (lawn care, basic maintenance, repair, etc.), provide security services, and provide support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the state as described above.

6. Support Resource Identification Efforts

These funds expanded efforts to promote and provide identification of low-income transitional and permanent housing units in the state and to enhance the low-income housing development for persons/families living with HIV/AIDS. The development of HIV/AIDS specific affordable housing is necessary, particularly in the many rural areas of this state. This funding will assist in the marketing, planning, and development of affordable housing in Alabama.

7. Oversight

The Alabama Department of Economic and Community Affairs (ADECA) and the State of Alabama Department of Housing and Urban Development conduct grant oversight through ongoing written and verbal communication. Annual monitoring visits are also conducted by both agencies. AIDS Alabama was chosen as the project sponsor because of the agency's statewide presence and proven grant administration record. Each subcontractor is monitored by AIDS Alabama annually to ensure contract compliance.

8. Collaborative Efforts and Other Resources

AIDS Alabama is a member agency of the AIDS Service Organization Network of Alabama (ASONA) that includes nine other service organizations. These collaborative relationships and AIDS Alabama's experience in working with this population were critical in the selection of AIDS Alabama as project sponsor. AIDS Alabama is also active in local and state planning groups that serve the HIV/AIDS population, including the Governor's Commission on HIV, Metropolitan Birmingham Services for the Homeless, Alabama Alliance to End Homelessness, and Central Alabama Ryan White Consortium. AIDS Alabama staff also provides technical assistance to AIDS service organizations, civic groups, and social service agencies statewide.

B. Project Accomplishment Overview

Goal #1: Support a statewide rental assistance program through qualified AIDS Service Agencies.

Objective: Provide 450 units of assistance to support AIDS housing in the state. Each will average \$275 per unit for up to five months of emergency short-term rent/mortgage payments or long-term, tenant-based payments to prevent homelessness.

Accomplishments:

1. AIDS Alabama provided 878 instances of rental assistance for 325 individuals or families.
2. AIDS Alabama provided 79 units at an average of \$280 per living unit for emergency rental assistance for permanent housing. One household unit can access the rental assistance program five times annually. AIDS Alabama sees this result as a positive accomplishment. All individuals accessing the program are required to develop a long-term housing plan with each application.
3. AIDS Alabama currently provides 101 units of long-term HOPWA rental assistance. Participants in this program can access the program monthly. Traditionally this program rarely had new enrollees because it is only available to individuals or families with chronic conditions. In an effort to provide more permanent housing, AIDS Alabama has begun to enroll more eligible individuals in the long-term program.

Goal #2: Support existing housing programs in the state.

Objective: Provide supportive services such as transportation and case management. AIDS Alabama provides these services in Birmingham and contracted for these services across the state.

Accomplishments:

1. Funds were used to employ eight HOPWA case managers in six (6) AIDS Service Organizations (ASO) across the state. Each organization provides case management services and outreach services specific to their community's needs. The following are some of the services provided: housing and social service referrals, permanent housing placement, linkage of qualified individuals with HOPWA rental assistance programs, provision of life skills training to individuals with multiple needs, assistance to clients who participate in alcohol and drug abuse rehabilitation in acquiring and maintaining housing, provision of housing and supportive services to HIV positive inmates being discharged from Limestone Prison, and assistance to individuals in planning for end of life care.

2. The following services were supplemented by HOPWA funding:
 - 22,502 units of transportation to housing and social service appointments,
 - 8,275 nights of permanent housing for families,
 - 6,445 nights of housing for Agape House and 5,897 for Agape II residents (both permanent),
 - 11,584 nights of permanent housing for the Alabama Rural AIDS Project (ARAP) housing,
 - 3,725 nights of permanent, service-enriched housing for JASPER House,
 - 350 nights of permanent housing for Rural Studio Project,
 - 9,000 nights of permanent housing for Magnolia Place, and
 - 13,942 nights of transitional housing.
3. Funds from the 2004 HOPWA year were also used to cover operating costs for 178 beds statewide. These costs include furnishings, utilities, property management, and maintenance for housing units, etc.

Goal #3: Support ongoing housing information efforts in the state.

Objective: Provide housing information services to individuals and community service providers statewide.

Accomplishments:

1. HOPWA funds were used to support the availability of housing assistance statewide, including outreach to rural areas. As a result of subcontracts:
 - Information contacts were made with incarcerated, HIV-positive persons in Limestone Prison, Tutwiler Prison, and the Birmingham City Jail. Due to the addition of a rural outreach worker; contacts were also made with St. Clair County Prison, as well as Blount, Shelby, Walker, and St. Clair County jails.
 - Education and outreach services were provided to 78 secondary prevention venues, 36 homeless shelters, 36 corrections facilities, 25 youth detention centers, and 121 schools and general public venues.
 - 13,818 individuals received housing information.
2. Monthly trainings were held for Community Outreach Workers in the Alabama Rural AIDS Project (ARAP) to better coordinate housing and services for HIV-positive individuals in rural areas of the state.
3. HOPWA funds provided for the publication and distribution of a newsletter and continued development of the AIDS Alabama website to allow for the distribution of housing information.
4. HOPWA funds were used to provide six trainings for HOPWA rental assistance program managers and service workers.

Goal #4: Provide technical assistance training around housing development in Alabama.

Objective: Assist AIDS Service Organizations in the state in development of capacity around appropriate use of rental assistance funds, in development of

new housing, and in planning the state's response to housing needs for persons with HIV/AIDS.

Accomplishments:

1. AIDS Alabama worked in collaboration with Auburn University School of Architecture and East Alabama AIDS Outreach to plan construction of a second rural studio to provide permanent housing for women and children living with HIV/AIDS in a rural setting.
2. The training conducted with state wide partners facilitated orientation with HUD regulations and appropriate use of rental assistance.
3. Funds were used to pay salary and mileage of agency staff to coordinate the development of AIDS housing throughout the State.

Goal #5: Support resource identification efforts.

Objective: Provide identification of low-income, permanent housing options in the state for persons and families living with HIV.

Accomplishments:

1. HOPWA resource identification funds were used to pay travel and expenses to send AIDS Alabama staff to national and state meetings related to housing individuals with HIV/AIDS.
2. Initiated plans and a proposal to build seven (7) permanent supportive family housing units on property previously purchased for development.

C. Other Accomplishments

HOPWA funds are used to supplement our Supportive Housing Programs, which provide transitional housing as well as permanent housing for five family housing units. Our substance abuse program, housed in the Rectory, includes a step-down program. This program offers an additional step for individuals in substance abuse treatment prior to moving on to other transitional or permanent housing. Both programs have operating costs which are supplemented with HOPWA funding.

AIDS Alabama hired a full-time rural outreach worker/case manager. As a licensed social worker, this employee is responsible for identifying consumers in rural Jefferson County as well as Shelby, Blount, St. Clair, and Walker Counties and bringing them into care and housing.

Plans for a new Rural Studio Project are underway. A new three-bedroom community residence in Lee County, Alabama will be built in collaboration with Auburn University School of Architecture and East Alabama AIDS Outreach. The rural studio will provide permanent housing for women and children living with HIV/AIDS in a rural setting.

D. Barriers or Trends Overview

The barriers for persons living with HIV/AIDS to access services include discrimination, access to healthcare due to geography, transportation, knowledge, and lack of resources. Discrimination against persons living with HIV includes loss of employment, housing, disengagement of families whose members test positive, and some systemic policies/procedures. While it is illegal to take some of these actions, people still lose their housing on the spot, get fired or turned away from employment, or face attack because of their HIV-positive status. These events are more than anecdotal. In the recent AIDS Alabama statewide needs assessment, 11% of respondents indicated that HIV discrimination was a constant stressor in their lives. Thirty-eight per cent experienced unstable housing situations after their HIV diagnosis. Families are still avoiding support of members who are HIV-positive by not allowing them to live with them and by disconnecting any form of psycho-social or financial support.

Persons living in very rural settings are often removed from access to medical clinics. Identification of these persons is difficult given the desire by most persons to remain confidential about their HIV-status, if known.

AIDS Alabama has seen a recent trend in diminishing funding for supportive services. In FY 2004, supportive service funding provided for over 22,000 units of transportation and over 700 case management services units to individuals/families. These services mean that residents already in housing receive the necessary services to stay housed. A thorough assessment of applicants for HIV-specific housing is conducted, which includes a psychological screening. The assessment allows the case manager to design a care plan in conjunction with the individual/family to meet their needs and to increase their capacity to maintain stable housing.

According to Housing in the Southeast, Emory University, affordable housing stock meets only 12% of the demand in the southern states. Lack of decent, safe, affordable housing continues to be a problem for individuals living with HIV disease in the State of Alabama. In developing HIV specific housing, typically units that are decent and safe are not always affordable and vice versa. Relapse rate for substance abuse is often affected by the location of affordable housing. In addition due to HUD regulations limiting assistance to persons in permanent housing, AIDS Alabama has seen a dramatic decrease in the number of applications for rental assistance.

Housing opportunities for newly released inmates has become a serious problem as well. It is estimated that 1,600 prisoners are released daily from prisons all over the country with 30-50% being homeless upon release. Ex-prisoners face the same problems as others looking for housing coupled with the problems of having a criminal background. One problem that is unique to newly released inmates is that most subsidized housing programs have screening processes in place which limit their housing

choices, such as criminal background checks or restrictions on neighborhoods close to schools and child care centers. With less post-release assistance available to prisoners, many newly released individuals do not have money for security deposits or rent to obtain permanent housing once returned to society. AIDS Alabama has experienced a vast increase in the number of recently released prisoners applying for housing, further straining already limited resources. There is not enough housing available to meet this new need.

Response:

In response to the barriers, AIDS Alabama continues to participate in local, state and national groups with the hope of educating the public about how the disease is spread and the need for affordable housing for all persons. The agency also continues to contact key community leaders and to participate in agency decision-making as well as local, state, and federal planning groups to represent the needs of the population. The goal of permanent housing continues to be at the forefront of AIDS Alabama efforts.

Without federal funding, technical assistance and resource identification efforts would be impossible.

Name of HOPWA Grantee: AIDS Alabama

Report covers the period: 4 / 1 / 04 to 3 / 31 / 05

Performance Chart 1 -- Actual Performance. Types of Housing Units Dedicated to Persons with HIV/AIDS which were Supported during the Operating Year

Type of Unit:	Number of units with HOPWA funds	Amount of HOPWA funds	Number of units with Grantee and other funds	Amount of Grantee and other funds	Deduction for Units reported in more than one column	TOTAL by type of unit
1. Rental Assistance	101	156,522				101
2. Short-term/emergency housing payments	79	111,142				79
3-a. Units in facilities supported with operating costs	178	193,130				178
3-b. Units in facilities that were developed with capital costs and opened and served clients						
3-c. Units in facilities being developed with capital costs but not yet opened						
Subtotal						
Deduction for units reported in more than one category						
TOTAL	358	460,794				358

Name of HOPWA Grantee: AIDS Alabama

Report covers the period: 4 / 1 / 04 to 3 / 31 / 05

Performance Chart 2 - Comparison to Planned Actions, as approved in the Action Plan/Consolidated Plan for this Operating Year (Estimated Numbers of Units)

Type of Unit:	Estimated Number of Units by type in the approved Consolidated Plan/Action Plan for this operating year	Comment, on comparison with actual accomplishments (or attach)
1. Rental Assistance	See "A" attached	See "A" attached
2. Short-term or emergency housing payments	450	See "B" attached
3-a. Units in facilities supported with operating costs	See "C" attached	See "C" attached
3-b. Units in facilities that were developed with capital costs and opened and served clients		
3-c. Units in facilities being developed with capital costs but not yet opened		
Subtotal	450	
Deduction for units reported in more than one category		
TOTAL	450	

Performance Chart 2
Attachment

Comment on comparisons with actual accomplishments:

- A.** A specific goal for this item was not specified in the action plan for the 2004 operating year. AIDS Alabama has made a concerted effort to enroll more eligible individuals in the program. The number increased significantly from the previous year, from 37 to 101.
- B.** HUD restrictions on assistance to permanently housed persons with HIV disease have caused the number of short-term or emergency housing payments to significantly decrease from the 450 projected.
- C.** A specific goal for this item was not specified in the action plan for the 2004 operating year. Funding for operating the 178 beds of permanent and transitional, HIV-specific housing statewide was

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APPENDIX G **HOME PROGRAM**

STATE OF ALABAMA

HOME PROGRAM

ANNUAL PERFORMANCE REPORT

**Program Year 2004
(June 2005 Submission)**

Prepared by
Alabama Housing Finance Authority
2000 Interstate Park Drive, Suite 408
P. O. Box 230909
Montgomery, AL 36123-0909

Contact Person: Barbara Wallace
(334) 244-9200

A. Consolidated Plan:

Alabama received an allocation of \$14,686,000 in FY92 and extended HOME loan commitments (subject to completion of construction and compliance with HOME regulations) in July 1993. AHFA awarded HOME funds to 13 multifamily rental developments scattered throughout the state. The developers were a mixture of for-profit and non-profit (CHDO) entities and the HOME funds expended on each project were leveraged with tax credits.

The first FY92 HOME project closed in November 1994. All of the 13 FY92 HOME projects have been completed and are fully operational. All HOME funds committed to these projects have been disbursed.

For FY93, Alabama received an allocation of \$9,916,000. The HOME funds were committed to 11 multi-family projects throughout the state, with four of the projects located in federally declared disaster counties. Ten for-profit and one non-profit (CHDO) developers were involved in the allocation of FY93 HOME funds. All 1993 projects have been completed. Seven projects had match liability and four projects were exempt.

AHFA was awarded \$11,369,000 in HOME funds for FY94 and \$13,215,000 for FY95. A funding cycle for both the FY94 and FY95 HOME funds was held in March 1995 with over 82 applications received. After reviewing and evaluating the applications, 22 projects received a HOME commitment. A total of \$22,285,175 was allocated to ten (10) FY94 and twelve (12) FY95 projects.

Of the ten FY94 projects that have received HOME commitments, one is sponsored by a non-profit (CHDO) developer and the other nine are for-profit developments. All of the FY94 HOME projects have closed. All of the ten FY94 HOME projects were exempt from match liability.

Eleven FY95 projects received HOME commitments (one cancelled). Non-profit CHDOs sponsored one of the 11 developments. All of the 11 projects have been completed and HOME funds have been disbursed. Three of the 11 FY95 projects incurred match liability. The remaining eight projects, located in federally declared disaster counties, were exempt.

For FY96, Alabama received an allocation of \$12,939,000. 13 projects received HOME commitments totaling over \$14,878,000¹. All of the projects have closed.

¹ Two CHDO projects, one in FY93 and one in FY95, were not able to go forward. The HOME funds allocated to those two projects were expended in FY96 thereby showing a larger allocation amount than grant funds received.

Two of the projects are located in federally declared disaster counties and 11 projects have match liability.

For FY97, Alabama received an allocation of \$12,657,000 and 13 projects received HOME commitments. Five of the projects are CHDO developments. All FY97 projects have closed. Ten of the projects have match liability and three are exempt.

For FY98, Alabama received an allocation of \$13,990,000 and 22 projects received HOME commitments. Six of the projects are CHDO developments. All 22 projects have closed. 15 of the projects have match liability and 7 are exempt.

For FY99, Alabama received an allocation of \$15,178,000 and 18 projects received HOME commitments. Three of the projects are CHDO developments. All 18 projects have closed. 16 of the projects have match liability and two are exempt.

For FY00, Alabama received an allocation of \$15,059,000 and 20 projects received HOME commitments. Three of the projects are CHDO developments and four other projects have non-profit developers. Currently, 19 projects have closed and 1 project is preparing documentation for closing. Thirteen of the projects have match liability and seven are exempt. 26% of FY00 HOME funds are being used to provide housing to special needs populations (including the elderly and the physically disabled). Of 814 total units, 601 or 74% are for families, 180 or 22% are for elderly, and 33 or 4% are for physically disabled residents. Seven projects are located in federally declared disaster areas.

For FY01, Alabama received an allocation of \$17,112,000 and 19 projects received HOME commitments. One project (Serenity Village), however, was cancelled by the owner in June of 2004 and \$93,198 was returned and one fewer single family *special needs* home was built. Four of the projects are CHDO developments and eight other projects have non-profit developers. As of March 31, 2005 (the last day of the reporting period), seventeen (17) projects have closed and one (1) project was under construction. All 2001 projects have a 100% waiver of match liability if HOME funds are disbursed before September 30, 2003. Most FY01 HOME funds are being used to provide housing to special needs populations (including the elderly, mentally ill, mentally retarded, physically disabled, etc)². Of 411 total units, 69 or 17% are for families, 177 or 43% are for elderly, 146 or 35% are for mentally ill or mentally retarded residents and 19 or 5% are for physically disabled residents.

² Beginning with the FY01 Program year, the State of Alabama utilized HOME funding to meet the affordable housing provisions of the *Wyatt* lawsuit settlement. This unique commitment of FY01 and FY02 HOME funds, along with Low Income Housing Tax Credits administered by AHFA, made a major impact on the number of available affordable housing units for lower income Alabamians with mental illness or mental retardation.

For FY02, Alabama received an allocation of \$16,441,000 and 15 projects received HOME commitments. Two of the projects are CHDO developments and six other projects have non-profit developers. As of March 31, 2005 (the last day of the reporting period), fourteen (14) projects have closed and one (1) had begun construction. All 2002 projects have a conditional 100% waiver of match liability. Most FY02 HOME funds are being used to provide housing to special needs populations (including the elderly, mentally ill, mentally retarded, physically disabled, etc). Of 408 total units, 212 or 52% are for families, 42 or 10% are for elderly, 139 or 34% are for mentally ill or mentally retarded residents and 15 or 4% are for physically disabled residents.

For FY03, Alabama received an allocation of \$17,285,000 and 12 projects received HOME commitments. One (1) of the projects is a CHDO development. As of March 31, 2005 (the last day of the reporting period), all projects had begun construction. Five of the 2003 projects originally had match liability and seven were exempt. A federally-declared disaster for 65 of Alabama's 67 counties (all but Cleburne and Cherokee) in December 2004 allowed all 2003 HOME projects to receive a waiver of matching funds liability. Almost half (42.9%) of the FY03 HOME funds are being used to provide housing to special needs populations (including the elderly, mentally ill, mentally retarded, physically disabled, etc). Of 501 total units, 286 or 57.1% are for families, 177 or 35.3% are for elderly, and 38 or 7.6% are for special needs residents.

For FY04, Alabama received an allocation of \$19,035,324 and 13 projects received HOME commitments. Three (3) of the projects are CHDO developments. As of March 31, 2005 (the last day of the reporting period), five projects had begun construction and eight are in the review process. All thirteen of the 2004 projects have a waiver of match based on the federally-declared disaster status for 65 of Alabama's 67 counties. Each project must, however, expend their HOME funds before September 2006 to qualify for the 100% waiver. Over two-thirds (68.9%) of the FY04 HOME funds are being used to provide housing to special needs populations (including the elderly, mentally ill, mentally retarded, physically disabled, sensory impaired, etc). Of 528 total units, 164 or 31.1% are for families, 324 or 61.4% are for elderly, and 40 or 7.5% are for special needs residents.

The FY04 project mix is as follows:

- (1) Dallas County, 56 units (elderly and special needs)
- (2) Tallapoosa County, 36 units (elderly and special needs)
- (3) Jackson County, 48 units (elderly and special needs)
- (4) Talladega County, 32 units (family)
- (5) Bibb County, 32 units (family and special needs)
- (6) Lamar County, 40 units (family and special needs)
- (7) Coosa County, 44 units (family and special needs)
- (8) Lawrence County, 32 units (family and special needs)
- (9) Coffee County, 48 units (elderly and special needs)
- (10) DeKalb County, 40 units (elderly and special needs)
- (11) Marshall County, 40 units (elderly and special needs)
- (12) Colbert County, 40 units (elderly and special needs)
- (13) Etowah County, 40 units (elderly and special needs)

The FY04 HOME Action Plan indicates the following priorities for the use of HOME funds:

- Projects that add to the low-income housing stock
- Projects which, without HOME funds, would not likely set aside units for low-income tenants
- Projects which use additional assistance through federal, state or local subsidies and
- Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

In an attempt to address the priorities set forth in the HOME Action Plan, AHFA has used each of the annual HOME allocations (FY92-FY03) for the production of multi-family rental housing for low-income households. All of the selected projects have been new construction. The multi-family staff has made a conscious effort to not award HOME funds to duplicate cities and/or counties in the attempt to spread HOME funds geographically throughout the state.

The multi-family staff utilizes a Point Ranking System when evaluating HOME applications. Preference points are given to projects that are (1) located in counties of greatest needs according to the Consolidated Plan; (2) located in counties that have not previously been awarded state HOME funds; and (3) providing a portion of the total units for special needs populations such as the elderly, the mentally ill, or the disabled. The latter category was particularly important in FY01 and FY02 as the DMH/MR Supportive Housing Needs List (Addendum A in the FY01 and FY02 HOME Action Plans) played such a large role in the final determination of HOME-funded rental housing units.

The anticipated usage of HOME funds by the Alabama Housing Finance Authority is as follows:

Loans:	75%
CHDO's:	15%
Administration:	10%

Of the 13 projects awarded FY92 HOME funds, three projects provided elderly housing. FY93 HOME funds were awarded to 11 projects, four of which are located in federally declared disaster areas and three of which are providing elderly housing units. Of the 21 projects for FY94 and FY95, ten projects are providing housing for elderly, mentally ill, and handicapped persons. Eighteen of the 21 projects are located in federally declared disaster areas. FY96 HOME funds were awarded to 13 projects, all of which are providing housing to special needs populations (includes families). For FY97, 13 HOME projects were committed and 38% of the planned units (199 of 527) are for the elderly and/or handicapped. Twenty-four (24) projects received FY98 HOME funds, though two applicants returned their funding. 15 of the 22 (68%) have units set aside for elderly or physically disabled residents. In all, 187 of the 799 units committed with FY98 HOME funds are so designated. For FY99, eighteen projects received HOME funding and 15 of the 18 (83%) have units set aside for elderly or physically disabled residents. In all, 123 of the 760 units committed with FY99 funds are so designated. In FY00, 16 of the 20 projects (80%) have units set aside for residents with special needs (includes elderly). 213 of 814 units are so designated. And in FY01 and FY02, because of the unique aspects of the *Wyatt* settlement and the collaboration with the State Department of Mental Health and Mental Retardation, all 33 projects (18 in FY01 and 15 in FY02) have units set aside for residents with special needs. In FY03, all eleven projects have units set aside for residents with special needs and over a third of the total units (177 of 501) are for the elderly. In FY04, twelve of the thirteen projects have units set aside for residents with special needs and well over half of the units are designed for elderly residents.

B. Private Sector Participation:

AHFA has undertaken a number of efforts to maximize the participation of the private sector in Alabama's HOME program. Seminars were held in September 1993, July 1994, February 1995, March 1996, February 1997, February 1998, February 1999 and March 2000. The seminars, taught by professional trainers with HOME/HUD expertise, covered an introduction to the HOME program including review of the HOME regulations, financial feasibility studies, creating a pro forma operating statement for a project, and how to complete an AHFA funding application for HOME dollars. Beginning in 2001 and continuing each successive year, the annual HOME Program seminar and workshop was taught by AHFA staff. AHFA also started a Beginner Training Course in

October 2003 for novice HOME/Tax Credit practitioners and future applicants and it, too, was offered again in FY04.

To promote the HOME program, AHFA staff has participated in various seminars and meetings with organizations such as the Alabama Bankers Association, the Alabama Association of Realtors®, the Home Builders Association of Alabama, the Alabama Multifamily Loan Consortium, and the National Council of State Housing Agencies. Multi-family staff served as moderators and co-chairs at these seminars and spoke to a number of groups regarding the HOME program.

Throughout the year, AHFA staff attends workshops, city council meetings, and other community-based gatherings. AHFA is visited regularly by private developers and investors who inquire about HOME funding. HOME application packages are requested weekly by persons who have heard of the HOME program and want to participate in the next funding cycle.

HOME brochures, created by AHFA staff, are handed out at meetings and seminars and are mailed with the HOME application packages. These brochures provide detailed information regarding the state HOME program.

AHFA plans to continue conducting HOME seminars each year to increase the private sector participation in the HOME program. The seminars are varied each year in an effort to provide new information to previous participants. Lastly, AHFA provides relevant HOME and multifamily development information on its website, www.ahfa.com. Web visitors may view program guidelines, request documents, be added to our mailing list, access frequently asked questions, email the staff, etc.

C. Community Housing Development Organizations (CHDOs):

Thirteen (13) established non-profit groups were designated (either new or re-certified) as Community Housing Development Organizations (CHDOs) for the FY02 State of Alabama HOME Program year. The number of CHDOs fluctuates slightly from year to year.

In FY92, three CHDOs received HOME funds. Two CHDOs were allocated HOME funds for FY93, one of which canceled their HOME commitment in March 1996. In FY94 and FY95, a total of three CHDOs were funded. In FY96, three CHDOs were funded and in FY97, three CHDOs were funded. In FY98, six CHDOs were funded and in FY99, three CHDOs were funded. For FY00, three CHDOs were funded. In FY01, four CHDOs were funded. In FY02, three CHDOs were funded, though one returned his HOME commitment. And in FY03, two CHDOs were funded, though one returned his HOME commitment. In FY04, 3 of the 13 HOME commitments were for CHDOs (one each in Lawrence, DeKalb and Marshall Counties). Many of

the non-profit housing groups are pairing up with experienced for-profit developers to expand their capacity to serve low-income households across the state.

AHFA was awarded a technical assistance grant in September 1993 of which a portion was set aside for CHDO seminars and brochures. The series of HOME workshops held each spring was partially funded with these grant dollars. The seminars, as previously mentioned, cover an introduction to the HOME program including review of the HOME regulations, an introduction to financial feasibility, how to complete an AHFA funding application for a HOME project, and compliance monitoring.

The seminars were geared to help non-profit groups become familiar with the HOME program, detail the steps to become a CHDO, and describe the CHDO's role in the HOME program. AHFA utilizes its existing mailing list of non-profits and publishes seminar notices in various newspapers across the state.

CHDO brochures were developed using a portion of the technical assistance grant money awarded to AHFA. The brochures give detailed information on the formal "HUD" definition of a CHDO, the role CHDOs play in affordable housing development, and what steps can be taken to become a designated CHDO. The HOME Technician also provides CHDO application packages upon request. These provide a checklist for would-be CHDOs to gauge their progress and their capacity to achieve the CHDO designation. The HOME Technician also schedules meetings with non-profit groups to help them complete the CHDO application.

Increased interest seems evident throughout the State of Alabama from non-profit groups wanting to participate in the HOME program and provide affordable housing. The number of designated CHDOs in Alabama grew from four in 1994 to as many as twelve by the late 1990s. Currently (June 2005), there are seven HUD-designated CHDOs who have expressed an interest in providing community/regional-based multifamily affordable housing.

D. Affirmative Marketing:

AHFA requires that each developer who is awarded HOME funds certify to further affirmative marketing procedures. Elements of this certification include (1) the establishment of affirmative marketing procedures which effectively prohibit any exclusionary practices; (2) compliance with the Fair Housing Act and the Age Discrimination Act of 1975; (3) the display of the "Fair Housing" logo at the leasing or sales office; (4) the written submission to AHFA of plans to solicit applications of persons who are unlikely to apply without special outreach; and (5) the maintenance and annual submission to AHFA of a list of characteristics of tenants renting HOME-assisted units.

E. Minority Outreach:

In an effort to further the inclusion of minorities in Alabama's HOME program, AHFA has established an allocation plan which awards preference points to developers who will pledge to commit at least 10% of their material and service contracts to Minority Business Enterprises (MBEs) or Women's Business Enterprises (WBEs). The MBEs or WBEs may include real estate firms, construction firms, building material suppliers, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, providers of legal services, or other related entities. AHFA has developed a report that the developer completes prior to the HOME loan closing which indicates minority and/or women owned businesses used on the HOME project.

In addition, all developers who are awarded HOME funds must certify that their projects will comply with the Equal Opportunity, Fair Housing, and Affirmative Marketing laws.

F. Tenant Assistance/Relocation:

Alabama's HOME program application requires developers to indicate whether or not their projects involve any relocation of tenants. If so, the developers must furnish AHFA with a relocation plan along with the completed application.

AHFA requires developers to certify on the "Certification Regarding Relocation Form", provided by AHFA, that their organizations will (1) take all reasonable steps to minimize the displacement of persons; (2) provide relocation assistance at the levels described in, and in accordance with, the requirements of 24 CFR Part 92 and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR Part 24; and (3) advise all displaced persons of their rights under the Fair Housing Act (42 U.S.C. 3601-19).

AHFA has primarily encouraged new construction as the most appropriate activity for Alabama's HOME funds as indicated by the Consolidated Plan, but will consider rehabilitation projects provided applicants have submitted evidence documenting compliance with URA. AHFA will take all necessary steps to minimize displacement of existing tenants on any proposed HOME projects involving rehabilitation.

NOTE: According to the Project Selection Criteria section of the 2002 HOME Action Plan, "...All units must be new construction residential rental units with supportive services". Accordingly, relocation of tenants is not an issue for 2002 HOME funding.

G. Shortfall Funds:

N/A

Monitoring and Compliance

Under HOME Program guidelines, AHFA is required to conduct annual on-site inspections of recipients to determine compliance with the rules and regulations of Title II of the National Affordable Housing Act and 24 CFR part 92. The compliance monitoring procedures and requirements conducted during the reporting period are as follows:

1. AHFA conducted on-site inspections of **all** HOME projects during the year and reviewed the current tenant files for adherence to occupancy and rent restrictions as established by Alabama's HOME Program. For the record, nine of Alabama's HOME projects were found to be out of compliance on the date of [their] audit. All were infractions involving income certifications or income verifications. Each occurrence of non-compliance was corrected promptly (within 30 days) upon notification.
2. Owners were required to certify under penalty of perjury that he/she has received an annual low-income certification from each low-income tenant along with supporting documentation. Furthermore, the owners had to certify that each low-income unit was rent-restricted under HOME guidelines and that their project met all the requirements of the HOME Program.
3. ***Owners found to be out of compliance were allowed up to 90 days to supply missing documentation or to correct noncompliance.***
4. AHFA requires each HOME project to fill out a fair housing rent roll stating the race of the head of household, the number of tenants in the household, and the type of rental assistance the household receives.

AHFA exercises the right to inspect any HOME-funded project any time during the compliance period including, but not limited to, on-site inspection and the review of all records relating to HOME compliance. AHFA may also require copies of the tenant certifications and supporting documentation at any time.

Owners of HOME projects are furnished up-to-date compliance manuals by AHFA to assist with the procedural aspects of the Program. Compliance and monitoring is also reviewed in depth during AHFA's HOME and Low Income Housing Tax Credit

workshop held every spring. A separate compliance seminar is also held each spring and attendance is mandatory for all HOME-assisted property management teams. Lastly, AHFA's multifamily auditors and staff are available daily to help with compliance issues, to answer questions, or to furnish certification forms. During the reporting period, owners and apartment managers called the AHFA office regularly for such guidance.

Compliance with requirements of the HOME Program is the responsibility of the owner of the building for which the funds were distributed. AHFA's obligation to monitor for compliance with the requirements of the HOME Program does not make AHFA or the State of Alabama liable for an owner's noncompliance.

ADDENDUM re: ADDI

During the designated reporting period of April 1, 2004 thru March 31, 2005, the State of Alabama received its' first ADDI funds and made its' initial ADDI allocations to first-time homebuyers throughout the State. ADDI, the American Dream Downpayment Assistance Program, is an offshoot of the HOME Program and is specifically designed to encourage homeownership. Consequently, this CAPER will, for the first time, report accomplishments for low/mod income *owners* and not just *renters*.

The State of Alabama received \$671,691 in 2003 ADDI funds and \$792,228 in 2004 ADDI funds. Both the 2003 and 2004 allocations were awarded in 2004. Given the home buyer assistance cap limit of \$10,000 each, AHFA, as administrators of the State ADDI Program, proposed to assist approximately 146 households during the reporting period ($\$1,463,919 \div \$10,000$). AHFA did, in fact, ADDI funds to 139 households for the 12-month period. Six (6) additional households received commitments, but were not funded/purchased until after the reporting period cutoff date. One (1) of the \$10,000 awards was cancelled. All recipients made less than 80% of area median income, as required by regulations. Twenty-five percent (25% or 35 households) of the actual ADDI 2003/2004 beneficiaries made 50% or less than the area median income. The remaining 75% (or 104 households) of beneficiaries had incomes between 51-80% AMI.

NOTE: The \$10,000 award is a forgivable loan (20% per year over a five-year period) and the money may be used for new homes or existing homes meeting certain requirements. The program is open to all areas of the State except those PJs receiving their own ADDI funds.